

City of Detroit

CITY COUNCIL

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TO: Lucius Vassar, Director
Detroit Workforce Development Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director **14.**

DATE: May 2, 2008

RE: 2008-2009 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2008-2009 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Thursday, May 8, 2008 at 2:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Norman White, Finance Department Director
Pamela Scales, Budget Department Director
Donna McAlister, Budget Department Team Leader
Kerwin Wimberly, Mayor's Office

Detroit Workforce Development (21)

FY 2008-2009 Budget Analysis by the Fiscal Analysis Division

Summary

The Detroit Workforce Development Department is a General Fund Agency. The recommended 2008-2009 budgeted appropriations total \$58.4 million, which represents a \$5.3 million increase from the current fiscal year budget. The Department's recommended net tax cost to the City is \$2,000, which is the same as the current fiscal year.

The Mayor's 2008-2009 budget recommends an increase of thirty-six (36) positions. The increase will change the number of positions from 95 grant-funded positions to 131 grant-funded positions in the proposed 2008-2009 budget.

2007-2008 Surplus/(Deficit)

There is no projected deficit or surplus for the 2007-2008 fiscal year.

Overtime

There is \$150,000 of budgeted salary overtime expenditures in the Mayor's 2008-2009 Proposed Budget, which is equal to the overtime budgeted in fiscal year 2007-2008. As of March 31, 2008, the Department has expended \$63,271 on overtime with a remaining balance of \$86,729 for fiscal year 2007-2008.

Personnel and Turnover Savings

There are no projected personnel or turnover savings for fiscal year 2008-2009 for the Detroit Workforce Development Department.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2007-08</u>	<u>Filled Positions 3/31/2008</u>	<u>Mayor's Budget Positions FY 2008-09</u>	<u>Over/(Under) Actual to 07/08 Budget</u>	<u>Mayor's Recommended Turnover</u>
Detroit Workforce Development Department (21):					
11637 Work First Training Related	0	0	0	0	\$ -
11961 Work First FY07	0	0	0	0	\$ -
218599 DWDD Reallocation Clearing FY 07	95	95	95	0	\$ -
218571 WIA Adult FY 09-Core	0	0	36	0	\$ -
21XXXX Leave of Absence	0	-1	0	(1)	\$ -
21XXXX Worker's Comp.	0	0	0	0	\$ -
21XXXX Unmatched Positions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ -</u>
TOTAL	<u>95</u>	<u>94</u>	<u>131</u>	<u>(1)</u>	<u>\$ -</u>

Proposed Layoffs and Position Changes

The Mayor's 2008-2009 Proposed Budget does not include any layoffs. The position changes for the Detroit Workforce Development Department is an increase of thirty-six (36) grant-funded positions.

Significant Changes in Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
11652	General Fund Account – Late Fees FY09	Funds for this program in the amount of \$2,000 have been included in the Mayor's 2008-2009 Proposed Budget.
12236	DWDD Reallocation Clearing	Funds for this program in the amount of \$1.0 million have been included in the Mayor's 2008-2009 Proposed Budget.
12477	JET FY09	The Mayor's 2008-2009 Proposed Budget is \$19.6 million. This is a new appropriation and was not budgeted for in fiscal year 2007-2008.
12478	JET State GF/GP FY09	The Mayor's 2008-2009 Proposed Budget is \$4.9 million. This is a new appropriation and was not budgeted for in fiscal year 2007-2008.
12479	Food Stamp Only FY09	The Mayor's 2008-2009 Proposed Budget is \$0.6 million, which is a decrease of \$0.1 million from fiscal year 2007-2008. The former appropriation was 12253 – Food Stamp Only FY08.
12480	Food Stamp Only SS FY09	The Mayor's 2008-2009 Proposed Budget is \$23,778, which is the same as fiscal year 2007-2008. The former appropriation was 12254 – Food Stamp Only SS fiscal year 2008.
12481	Promoting Responsible Fatherhood FY09	The Mayor's 2008-2009 Proposed Budget is \$0.5 million, which is the same as fiscal year 2007-2008. The former appropriation was 12359 – Promoting Responsible Fatherhood fiscal year 2008.
12482	Employment Service FY09	The Mayor's 2008-2009 Proposed Budget is \$1.7 million, which is a decrease of \$0.1 million from fiscal year 2007-2008. The former appropriation was 12255 –Employment Service fiscal year 2008.
12483	Trade FY09	The Mayor's 2008-2009 Proposed Budget is \$0.9 million, which is an increase of \$0.5 million from fiscal year 2007-2008. The former appropriation was 12256 – Trade fiscal year 2008.
12484	Job Access Reverse Commute FY09	The Mayor's 2008-2009 Proposed Budget is \$1.5 million, which is no change from the amount in fiscal year 2007-2008. The former appropriation was 12257 – Job Access Reverse Commute fiscal year 2008.

12485	One Stop Operation GF/GP FY09	The Mayor's 2008-2009 Proposed Budget is \$0.5 million, which is no change from the amount in fiscal year 2007-2008. The former appropriation was 12258 – One Stop Operation GF/GP fiscal year 2008.
12486	WIA Statewide Capacity Building FY09	The Mayor's 2008-2009 Proposed Budget is \$24,000, which is a decrease of \$48,000 from the amount in fiscal year 2007-2008. The former appropriation was 12259 – WIA Statewide Capacity Building FY08.
12487	WIA Adult FY09	The Mayor's 2008-2009 Proposed Budget is \$7.3 million, which is an increase of \$2.1 million from fiscal year 2007-2008. The former appropriation was 12260 – WIA Adult fiscal year 2008.
12488	WIA Dislocated Worker FY09	The Mayor's 2008-2009 Proposed Budget is \$8.8 million, which is an increase of \$0.9 million from fiscal year 2007-2008. The former appropriation was 12261 – WIA Dislocated Worker fiscal year 2008.
12489	WIA Incumbent Worker FY09	The Mayor's 2008-2009 Proposed Budget is \$0.3 million, which is an increase of \$0.1 million from fiscal year 2007-2008. The former appropriation was 12262 – WIA Incumbent Worker fiscal year 2008.
12492	WIA Administration FY09	The Mayor's 2008-2009 Proposed Budget is \$2.6 million, which is an increase of \$0.8 million from fiscal year 2007-2008. The former appropriation was 12265 – WIA Administration fiscal year 2008.
12493	No Worker Left Behind FY09	The Mayor's 2008-2009 Proposed Budget is \$.8 million. This is a new appropriation and was not budgeted for in fiscal year 2007-2008.
12490	WIA Youth FY09	The Mayor's 2008-2009 Proposed Budget is \$7.2 million, which is an increase of \$1.5 million from fiscal year 2007-2008. The former appropriation was 12263 – WIA Youth fiscal year 2008.
12491	WIA Youth Statewide FY09	The Mayor's 2008-2009 Proposed Budget is \$62,246, which is a decrease of \$31,123 from the amount in fiscal year 2007-2008. The former appropriation was 12264 – WIA Youth Statewide fiscal year 2008.
12251	Work First	There is no appropriation for this program in the Mayor's 2008-2009 Proposed Budget. The fiscal year 2007-2008 budgeted appropriation amount was \$21.0 million.
12252	Work First State GF/GP	There is no appropriation for this program in the Mayor's 2008-2009 Proposed Budget. The fiscal year 2007-2008 budget appropriation amount was \$4.4 million.

Detroit Workforce Development Department (21)

Budgeted Professional and <u>Contractual Services by Activity</u>	FY 2007-08 <u>Budget</u>	FY 2008-09 <u>Recommended</u>	Increase (Decrease)
Adult Client Services	1,008,286	8,420,883	7,412,597
Youth Services	-	-	-
Total	<u>\$ 1,008,286</u>	<u>\$ 8,420,883</u>	<u>\$ 7,412,597</u>

Please describe the increase of \$7.4 million in Adult Client Services contractual services for 2008-09.

The WIA Adult FY 09 anticipated grant of \$7.32 million in 2008-09 supports the projected increase of 36 FTEs. How confident does the department feel in receiving this grant on an annual basis to continually support this level of staffing in future budgets?